

Maine Malt House, LLC.  
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## First Annual Report

### Project Summary

The Maine Malt House has been operational for exactly 1 year now, starting production in the beginning of February of 2015. The quality of our base malt was excellent from the get-go. Sales were slow until the end of summer when we introduced contract pricing to help bring the price our customers were paying down based on price brackets for different volumes contracted. Later in the fall it picked up more and currently we are at capacity on our two-system with plans to double our production in the coming weeks. Our customers range from Maine to Massachusetts and include large breweries (such as Allagash and Gritty's) all the way down to the small start-ups and homebrew shops. We are expecting a large increase in demand once the summer months arrive.

### Goals & Outcomes

Our initial goal was to run the two ton pilot system for a year or two and then jump to a 10 ton system. Instead of jumping to a 10 ton system, we are looking to first double our capacity by adding another germination bed initially (immediate solution) and working on a Saladin box (automated germination bed) to help cut out intensive labor and condense overall footprint. We can double our capacity twice utilizing our same dry kiln to save on the expense of going to a 10 ton system immediately.

### Next Steps

The next step is to add another germination bed to keep up with current demand, and hopefully soon after, double again with a saladin box layout which we are working on with a local fabrication shop. Once we can get ahead on the sales of our base malt, we would like to focus more on specialties, such as wheat and rye.

Another 'next step' for the immediate future is to finish our lab set up. The lab room is nearly installed and just needs to be furnished with the proper testing equipment. This will help us keep the analysis in-house and work on new product development.

We also plan to launch a 'Know your farmer/maltster' campaign to help bring forth the importance of local ingredients and knowing exactly where the malt comes from and how it ends up in the glass you enjoy.

### Lessons learned

We have learned a lot about malting and marketing in the past year. In particular we have learned about what our customers expect from us and our malt, and the analysis they seek from us. Malt analysis is important to them, but the batch to batch wet-chemistry we were planning to provide is not as important as we initially thought. We are going to turn the focus of our lab to the components of analysis which will be the most crucial to our customers and to us, rather than performing wet chemistry for results that are not that meaningful to us or our customer. We are planning to get lab equipment that will help us test and use our product as our customers would. This will be advantageous in the development of new types of malt.

On the marketing side of things, we have learned the importance of face-value relationships with our customers and how this can make the difference in the sales of our product. Our marketing plan changed throughout the summer as we learned to capitalize on the 'know your farmer' movement. At this point we started to push the family farm aspect of our business and helping the patrons of our customers understand what goes into the glass they are enjoying.

Thank you for the support!